

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 L-03 CIAE-00 INR-07 NSAE-00

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FM AMEMBASSY DAMASCUS

TO SECSTATE WASHDC 6791

AMEMBASSY BEIRUT

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E.O. 11652: N/A

TAGS: EFIN SY

SUBJ: CLAIMS NEGOTIATIONS: STATUS OF PRIVATE CLAIMS, EXXON

REF: (A) 75 STATE 305146, (B) 75 DAMASCUS 2944, (C) 75 DAMASCUS 4351

1. SUMMARY: ON OWN INITIATIVE, SARG HAS RAISED SYRIAN CLAIM AGAINST ESSO (NOTE QUOTED BELOW), ASKING WHEN ESSO PLANS TO RESUME NEGOTIATIONS BROKEN OFF LAST YEAR; DEPT REQUESTED TO PASS NOT TO EXXON. WITH AGREEMENT ALREADY SIGNED ON PL 480 AND DOLLAR DEBT CLAIMS, WE BELIEVE IT IS TIME TO PRESENT SARG WITH ALL REMAINING PRIVATE AND USG CLAIMS. NEA/ARN REQUESTED TO ARRANGE MEETING ON THESE MATTERS DURING AMBAS- SADOR'S CONSULTATIONS (PARA 6 BELOW). END SUMMARY.

2. EMBASSY HAS RECEIVED FROM CONSULAR DEPT, SARG MINISTRY OF FOREIGN AFFAIRS, N
TE NO. (14/4/1/654) C 7 DATED FEB 9,
1976, UNOFFICIAL TRANSLATION OF WHICH IS: "...AND HAS THE HONOR TO INFORM THE EMBASSY THAT A NUMBER OF BREACHES WERE COMMITTED BY THE COMPANY (ESSO STANDARD), AND JUDGMENTS WERE OBTAINED AGAINST THE COMPANY TO PAY A TOTAL OF L.S. 22,393,524 (EMBASSY NOTE: \$6,135,212 AT L.S. 3.65/\$1.00) IN TAXES AND FINES. THESE JUDGMENTS BECAME FINAL UPON THEIR AUTHENTICATION BY THE COURT OF CASSATION. AS A RESULT OF MEETINGS HELD BY AN EXPERT COMMITTEE, DURING
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WHICH A REPRESENTATIVE OF ESSO STANDARD WAS PRESENT

(EMBASSY NOTE: BRIAN JONES, ESSO/BEIRUT), A DEFINITION OF THE AVERAGE (RATE OF) IMPOSED FINE AS A PRINCIPLE FOR SETTLEMENT WAS REACHED.(EMBASSY NOTE: PRESUMABLY IMPLYING A LOWER TOTAL FINE) BUT THE REPRESENTATIVE (ESSO) DID NOT ACCEPT THIS RATE OF THE FINE, ASKED FOR ANOTHER STUDY TO REDUCE THIS RATE, AND PROMISED TO CONTACT (THE SYRIANS) AGAIN TO FIND OUT ABOUT THE RESULT; BUT HE (ESSO) HAS NOT DONE SO NOW AFTER SIX MONTHS FROM THE MEETINGS HELD IN HIS PRESENCE. IT WOULD BE APPRECIATED IF THE EMBASSY WOULD HAVE THE CONCERNED COMPANY COME TO A SETTLEMENT WITH THE DIRECTORATE OF CUSTOMS."

3. WE ARE POUCHING THIS CABLE TO BEIRUT IN CASE BRIAN JONES OF ESSO IS STILL THERE; REQUEST DEPARTMENT PASS CONTENTS OF NOTE TO EXXON WITH OFFER THAT IF EXXON SO WISHES, DEPT COULD TRANSMIT EXXON REPLY TO EMBASSY FOR FORWARDING TO SYRIAN AUTHORITIES. (FYI SEE 75 DAMASCUS 2944 FOR FURTHER BACKGROUND. COMMENT: FACT THAT SARG HAS TAKEN INITIATIVE TO RAISE THIS MATTER COULD WELL INDICATE DESIRE TO SETTLE ALL OLD BILATERAL ECONOMIC PROBLEMS AND THIS MIGHT BE POSITIVE FACTOR IN ESSO'S FAVOR TOWARD SETTLEMENT OF CLAIMS OF BOTH SIDES. END FYI.)

4. RE ALL PRIVATE CLAIMS AGAINST SARG, WE STILL AWAIT RECEIPT OF DOCUMENTED CLAIMS AND APPROPRIATE NOTES OF ESPOUSAL TO BE TRANSMITTED BY DEPT TO EMBASSY FOR PRESENTATION TO SARG AS PROMISED PARA 4, 75 STATE 305146.

5. RE USG DAMAGE CLAIMS, WE HAVE NOT GONE INTO THIS SUBJECT WITH SARG SINCE LATER 1974 WHEN UPON INSTRUCTIONS (74 STATE 235236) WE INFORMED SARG THAT USG INTENDED TO PRESENT CLAIM TO SARG AS SOON AS WE HAD ALL THE DETAILS (REF 75 DAMASCUS 4351).

6. ACTION REQUESTED: DURING FORTHCOMING CONSULTATIONS, AMBASSADOR REQUESTS NEA/ARN ARRANGE MEETING WITH APPROPRIATE OFFICES (EB, L, FBO, ETC.) FOR DISCUSSION OF DOCUMENTATION, PROCEDURES AND NEXT STEPS TO BE TAKEN HERE ON ALL THESE CLAIMS. (SHORT BRIEFING ON EGYPTIAN SETTLEMENT OF PRIVATE CLAIMS WOULD BE HELPFUL.) AGREEMENT ON MAJOR OUTSTANDING LIMITED OFFICIAL USE

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PL 480 AND DOLLAR DELINQUENT DEBT CLAIMS SIGNED ON MARCH 2 INDICATES POSITIVE SARG ATTITUDE TOWARD CLEANING UP ALL SUCH PENDING MATTERS AND MAKING MORE RAPID PROGRESS ON SARG/USG BILATERAL ECONOMIC RELATIONS (AS WAS ALSO HIGHLIGHTED DURING DEP PM HAYDAR/SECRETARY SIMON TALKS MARCH 3).
MURPHY

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